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NSC BRIEFING

28 October 1959

INDONESIA

- I. Recent experiences of Foreign Minister Subandrio in Peiping may lead to Indonesian efforts to strengthen relations with the US-- though still without altering Djakarta's basic policy of nonalignment.
- A. Subandrio, who visited Communist China in early October, has told the US ambassador that he found Chinese officials arrogant, patronizing, and abusive; that his eyes were opened to Chinese expansionist and power goals; that he came away outraged and terrified by Peiping's attitude.
- B. Subandrio, who has previously served as ambassador in London and in Moscow, and who has long supported Djakarta's nonalignment policy, states that Indonesia will now have to review its foreign policy.
- II. Subandrio's trip to China was prompted by <sup>CHICOM</sup> ~~Chinese~~ opposition to an Indonesian government decree requiring the withdrawal from rural areas of all alien merchants (these are mainly Overseas Chinese).
- A. According to Subandrio, the Chinese community and the Chinese Communist ambassador in Indonesia have exerted great pressure for repeal of decree.
- B. SUBANDRIO SAYS HE WAS PRESSED ON THIS QUESTION  
~~This pressure was continued~~ in Peiping by Mao Tse-tung, Chou En-lai, and Chinese Foreign Minister Chen-I.
1. These officials threatened Indonesia with economic warfare and other measures which Subandrio did not identify.

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2. Discussions at technical level grew so heated that Indonesian ambassador reportedly retorted, "It is you who are imperialists and colonialists."
3. Subandrio says he maintained a firm position with the Chinese, and claims that President Sukarno supported his position.
  - a. Subandrio claims he told Chou En-lai there was more hatred of Chinese in Indonesia than there was of Dutch; that Americans and British obeyed Indonesian laws and negotiated problems, whereas Chinese became rich while making no financial contribution to or even acknowledging Indonesian government.

III. Subandrio states that as a result of his trip he would like to change Indonesia's foreign policy, but fears no drastic change in Djakarta's position can be made since China is "big, powerful neighbor."

- A. But, he said, some adjustments are certain, and he pled for for US backing and support during coming years.
- B. He also stated that if it were not for the Dutch New Guinea issue on which Djakarta needs Soviet bloc support, there would certainly be a drastic change in policy.

IV. Despite Chinese threats, Indonesian government is proceeding with implementation of its decree, and further friction between Djakarta and Peiping seems probable.



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